

KFC/LONG JOHN SILVER'S SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



710 N Center Ave
Somerset, PA 15501

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Investment Highlights

PRICE: \$1,422,852 | CAP: 5.75% | RENT: \$81,814



About the Investment

- ✓ Brand New 20-Year Absolute Triple Net (NNN) Lease to be Signed at Closing
- ✓ 1.25% Annual Rental Increases Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 40 Years
- ✓ Fee Simple Ownership

About the Location

- ✓ Dense Retail Corridor | Lowe's Home Improvement, CVS, McDonald's, Dairy Queen, Sheetz, Domino's Pizza, ALDI, Giant Eagle Supermarket, Harbor Freight Tools, Taco Bell, and Many More
- ✓ Local Academic Presence | Somerset School District Serves over 2,000 Students Across Three Schools
- ✓ Strong Traffic Counts | Over 15,400 Vehicles Per Day on N Center Ave and Over 33,000 on I-76
- ✓ Medical Presence | UPMC Somerset | Less Than One-Miles Away | 111-Bed General Acute-Care Hospital
- ✓ Hospitality Accommodations | Within One Mile There are Over Ten Hotels and Other Forms of Hospitality Accommodations

About the Tenant / Brand

- ✓ KFC operates more than 17,000 restaurants in the United States and internationally.
- ✓ KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates
- ✓ Headquartered in Richardson, TX, Ampex Brands is the 17th largest franchisee in the United States according to Franchise Times Top 200
- ✓ Ampex Operates Around 400 Units of KFC, Taco Bell, Tim Horton's, Long John Silver's and 7-Elevens
- ✓ In July 2021, Ampex Brands Acquired Au Bon Pain's 171 Locations





Financial Analysis

PRICE: \$1,422,852 | CAP: 5.75% | RENT: \$81,814



PROPERTY DESCRIPTION

Concept	KFC/Long John Silvers
Street Address	710 N Center Ave
City, State ZIP	Somerset, PA 15501
Year Built / Renovated	2007
Building Size Estimated (SF)	+/- 2,640 SF
Lot Size Estimated (Acres)	+/- 1.87 Acres
Type of Ownership	Fee Simple

THE OFFERING

Price	\$1,422,852
CAP Rate	5.75%
Net Operating Income	\$81,814

LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant - Quick Service
Credit Type	Franchisee
Tenant	Ampex Brands
Guarantor	Morgan's Foods Inc. (50-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Absolute Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	1.25% Annually Starting Year 6
Renewal Options Remaining	4, 5-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$81,814	\$6,818	-
Year 2	\$81,814	\$6,818	-
Year 3	\$81,814	\$6,818	-
Year 4	\$81,814	\$6,818	-
Year 5	\$81,814	\$6,818	-
Year 6	\$82,837	\$6,903	1.25%
Year 7	\$83,872	\$6,989	1.25%
Year 8	\$84,921	\$7,077	1.25%
Year 9	\$85,982	\$7,165	1.25%
Year 10	\$87,057	\$7,255	1.25%
Year 11	\$88,145	\$7,345	1.25%
Year 12	\$89,247	\$7,437	1.25%
Year 13	\$90,362	\$7,530	1.25%
Year 14	\$91,492	\$7,624	1.25%
Year 15	\$92,636	\$7,720	1.25%
Year 16	\$93,794	\$7,816	1.25%
Year 17	\$94,966	\$7,914	1.25%
Year 18	\$96,153	\$8,013	1.25%
Year 19	\$97,355	\$8,113	1.25%
Year 20	\$98,572	\$8,214	1.25%

INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for an KFC located at 710 N Center Ave in Somerset, PA. The site consists of roughly 2,640 rentable square feet of building space on estimated 1.87-acre parcel of land. This KFC is subject to a 20-year absolute triple-net (NNN) lease, which commences at the close of escrow. The current annual rent is \$81,814 and is scheduled to increase by 1.25% annually starting in year 6 throughout the base term and in each of the 4, 5-year renewal options.



Concept Overview



About KFC

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are over 20,500 KFC outlets in more than 125 countries and territories around the world. There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.

It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates. Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.



About Ampex Brands

Ampex Brands was formed in 2005 to acquire 18 Long John Silver's restaurants, and has since grown tremendously, landing as the 17th largest franchisee in the US according to The 2022 Franchise Times Top 200. Currently, Ampex owns and operates around 400 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and 7-Elevens in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members. In July of 2021, Ampex acquired Au Bon Pain's franchisor business for 171 locations as well as the rights for another 131 locations.





Surrounding Area





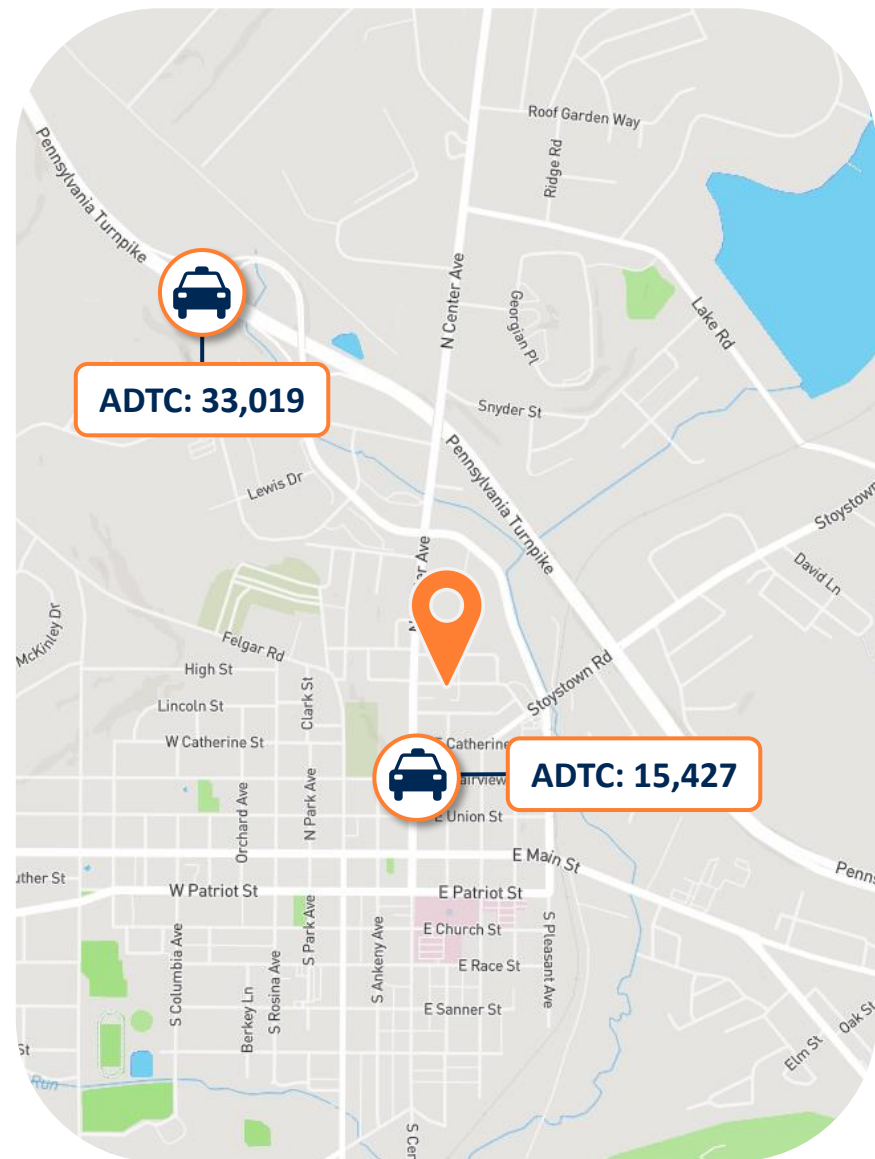
Location Overview



The subject investment property is a KFC/Long John Silver's situated on N Center Ave in Somerset, PA. N Center Ave experiences an average daily traffic count of approximately 15,427 vehicles and provides access to and intersects Pennsylvania Turnpike which brings an additional 33,000 vehicles into the immediate area daily. There are more than 6,000 individuals residing within a one-mile radius of the property.

This KFC/Long John Silver's property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: Lowe's Home Improvement, Tractor Supply Co., Aldi, Sheetz, Dairy Queen, Wendy's, Starbucks, Giant Eagle Supermarket, Harbor Freight Tools, Taco Bell, and many more. The property also benefits from its proximity to a major hospital. UPMC Somerset is a state-of-the-art, 111-bed general acute-care facility located less than one-mile away. Similarly, the property benefits from a local academic presence as the Somerset school district serves over 2,000 students across three public schools in the general vicinity of the subject property.

Somerset is a borough in, and the county seat of, Somerset County, Pennsylvania. The borough is surrounded by Somerset Township. Somerset is just off Exit 110 of the Pennsylvania Turnpike (I70 and I-76). Somerset is headquarters to Drive DeVilbiss Healthcare, which manufactures oxygen concentrators and other medical equipment in a 152,000 square foot facility in Somerset. Somerset's location in the Laurel Highlands makes it a popular destination for bikers, hikers, and outdoor enthusiasts of every type. In addition to five state parks, the Somerset area is home to other historic and recreational landmarks.





Property Photos



Subject Property



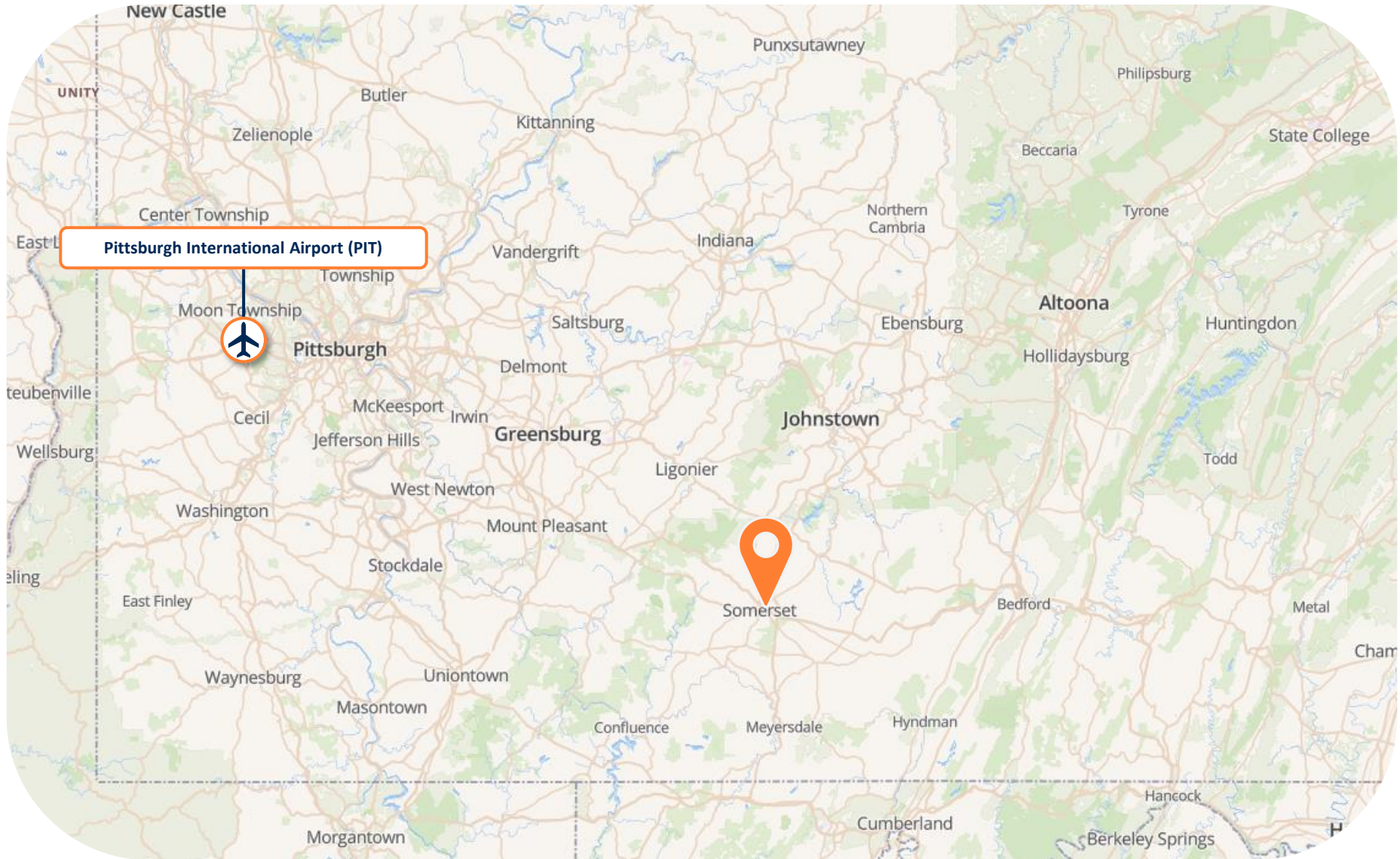


Surrounding Area Photos



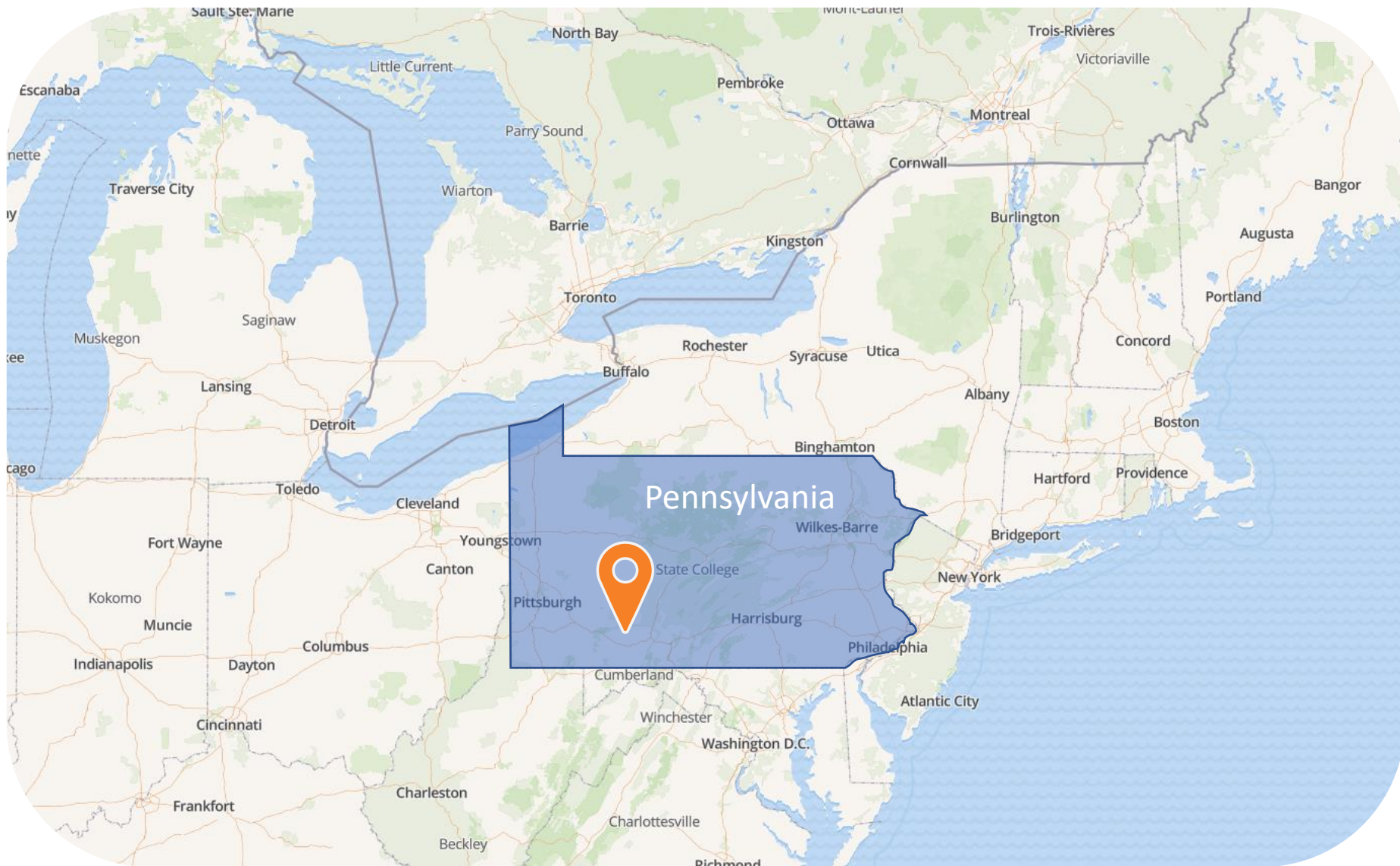


Local Map



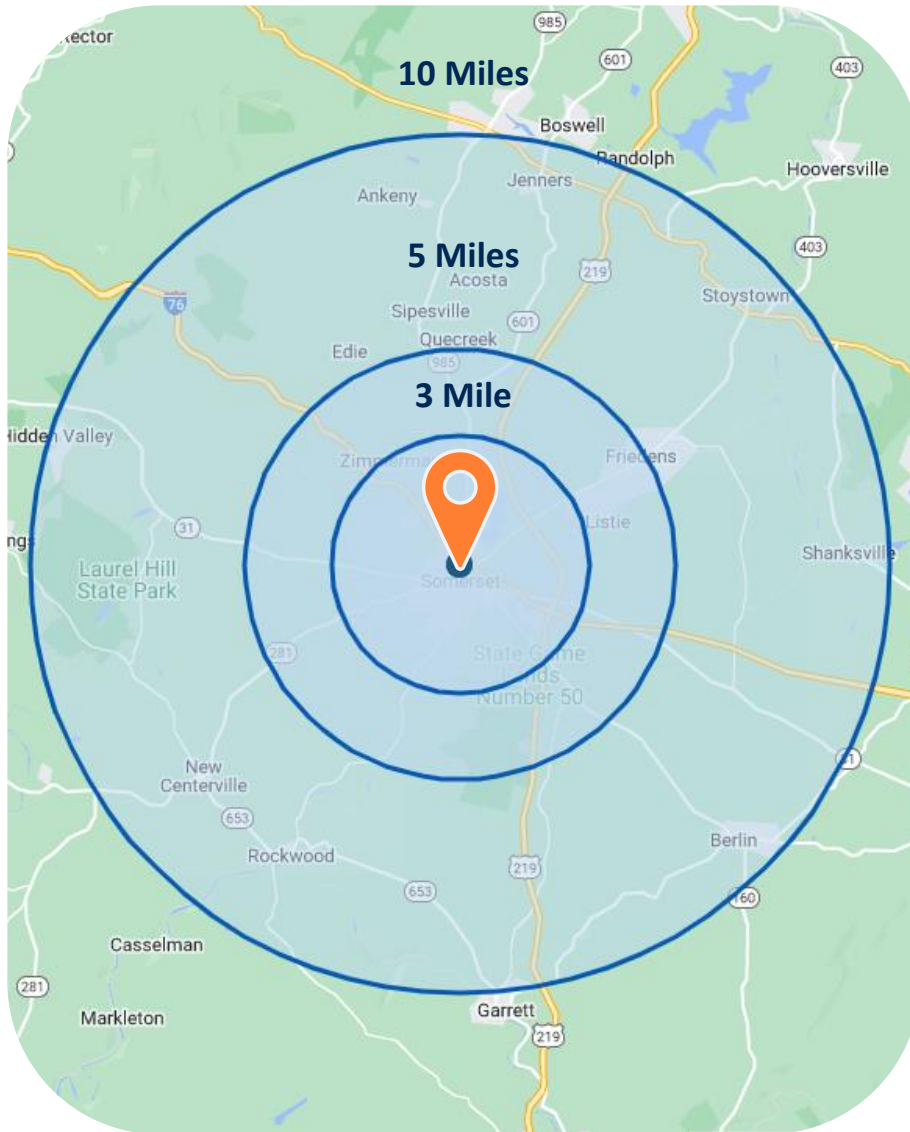


Regional Map





Demographics



POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2010 Population	14,236	18,324	33,800
2023 Population	14,090	17,884	32,121
2028 Population Projection	14,192	17,963	32,086
Annual Growth 2023-2028	0.10%	0.10%	0.00%

HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2010 Households	5,036	6,479	12,712
2023 Households	4,888	6,191	11,891
2028 Household Projection	4,912	6,201	11,859
Annual Growth 2010-2023	0.00%	0.00%	-0.10%
Annual Growth 2023-2028	0.10%	0.00%	-0.10%

Avg Household Income

	3 Miles	5 Miles	10 Miles
Avg Household Income	\$60,866	\$61,780	\$63,292

Median Household Income

	3 Miles	5 Miles	10 Miles
Median Household Income	\$46,574	\$47,680	\$48,819

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

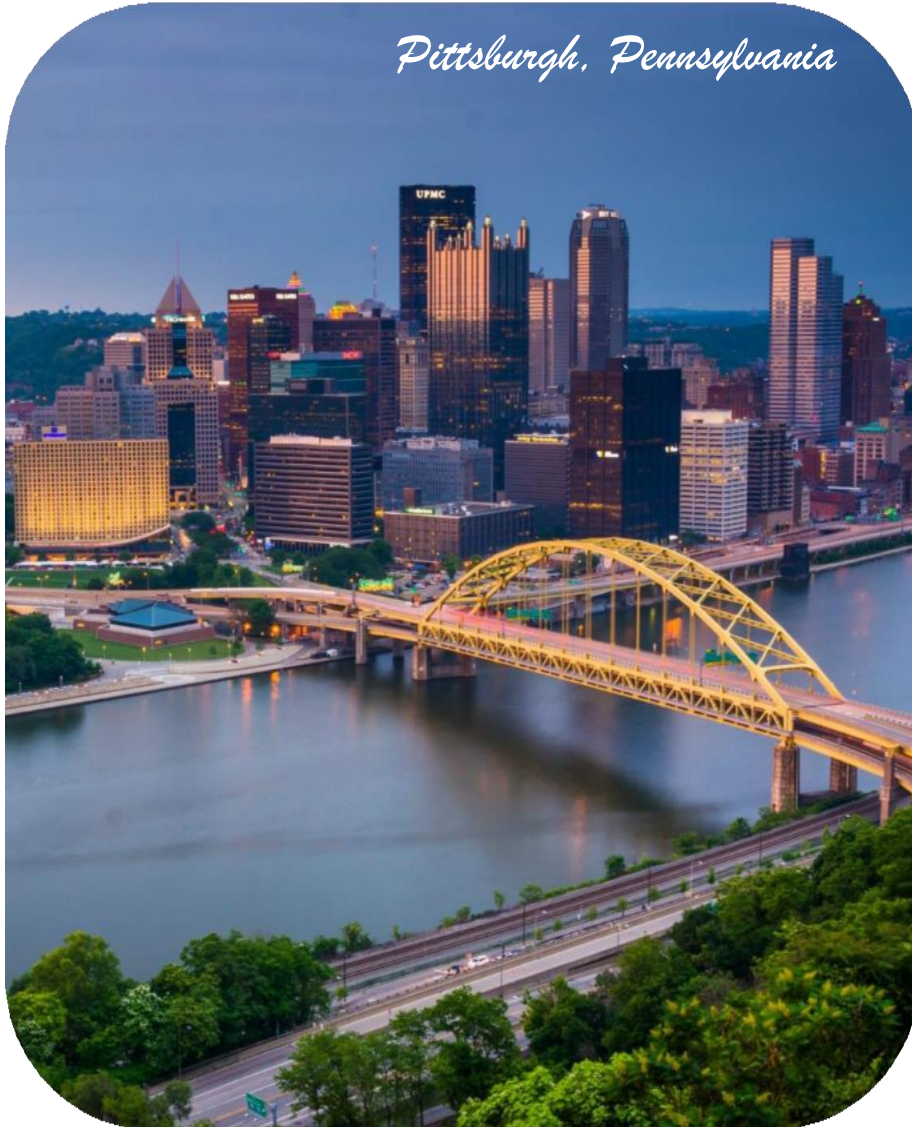
	3 Miles	5 Miles	10 Miles
< \$25,000	1,400	1,641	2,825
\$25,000 - 50,000	1,248	1,634	3,320
\$50,000 - 75,000	755	1,001	2,066
\$75,000 - 100,000	717	917	1,619
\$100,000 - 125,000	251	361	853
\$125,000 - 150,000	261	328	648
\$150,000 - 200,000	180	213	364
\$200,000+	77	95	197



Market Overview



Pittsburgh, Pennsylvania



Pittsburgh, rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania.

Education is a major economic driver in the region. The largest single employer in education is the University of Pittsburgh, with 10,700 employees. Six Fortune 500 companies call the Pittsburgh area home. These include downtown's PNC Financial Services, PPG Industries, U.S. Steel, The Kraft Heinz Company, WESCO International, and the Findlay Township, Pennsylvania based Dick's Sporting Goods. In 2006, Expansion Magazine ranked Pittsburgh among the top 10 metropolitan areas in the nation for climates favorable to business expansion.

The region is home to Allegheny Technologies, American Eagle Outfitters, CONSOL Energy, Kennametal, Mylan Bayer USA, and Alcoa Corporation headquarters. Other major employers include BNY Mellon, GlaxoSmithKline, Thermo Fisher Scientific, and Lanxess. The Northeast U.S. regional headquarters for Chevron Corporation, Nova Chemicals, Deloitte Touche Tohmatsu, FedEx Ground, Ariba, and the RAND Corporation call the area home. 84 Lumber, Giant Eagle, Highmark, Rue 21, General Nutrition Center (GNC), CNX Gas (CXG), and Genco Supply Chain Solutions are major non-public companies headquartered in the region. Area retail is anchored by over 35 shopping malls and a healthy downtown retail sector, as well as boutique shops along Walnut Street, in Squirrel Hill, Lawrenceville and Station Square.

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.

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